
Thor Denmark Holding ApS

Bredevej 2, DK-2830 Virum

Annual Report for 1 January - 31 December 2020

CVR No 35 86 87 71

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /7 2021

Ron Al Dor
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thor Denmark Holding ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 8 July 2021

Executive Board

Anders Svanholm Rosenbeck
CEO

Board of Directors

Ron Al-Dor

Roni Giladi

Independent Auditor's Report

To the Shareholder of Thor Denmark Holding ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Thor Denmark Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 8 July 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen

statsautoriseret revisor

mne17120

Company Information

The Company

Thor Denmark Holding ApS
Bredevej 2
DK-2830 Virum

CVR No: 35 86 87 71
Financial period: 1 January - 31 December
Municipality of reg. office: Lyngby-Taarbæk

Board of Directors

Ron Al-Dor
Roni Giladi

Executive Board

Anders Svanholm Rosenbeck

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

Thor Denmark Holding ApS' purpose is to own shares, directly or indirectly, in Tia Technology A/S.

Market overview

Development in the year

The income statement of the Company for 2020 shows a loss of TDKK 133,563, and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 476,055.

On 30 November 2020 Thor was acquired by Sapiens. The acquisition was backed by Tia management and the Thor board of directors and in line with the strategic focus on designing and developing best-in-class standard software and delivering Tia's professional services to safeguard quality and best practices to the benefit of Tia's valued customer base

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Other external expenses		-314	-646
Gross profit/loss		-314	-646
Income from investments in subsidiaries		-130.566	0
Financial income		8	1
Financial expenses		-1.506	-2.243
Profit/loss before tax		-132.378	-2.888
Tax on profit/loss for the year	1	-1.185	635
Net profit/loss for the year		-133.563	-2.253

Distribution of profit

Proposed distribution of profit

Retained earnings		-133.563	-2.253
		-133.563	-2.253

Balance Sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Investments in subsidiaries	2	449.221	579.787
Fixed asset investments		449.221	579.787
Fixed assets		449.221	579.787
Receivables from group enterprises		26.671	0
Deferred tax asset		0	1.815
Corporation tax		0	170
Prepayments		137	57
Receivables		26.808	2.042
Cash at bank and in hand		83	0
Currents assets		26.891	2.042
Assets		476.112	581.829

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital	3	10.639	10.610
Retained earnings		465.416	520.852
Equity		476.055	531.462
Credit institutions		0	35.138
Long-term debt	4	0	35.138
Trade payables		0	62
Payables to group enterprises		0	13.589
Corporation tax		5	0
Other payables		52	1.578
Short-term debt		57	15.229
Debt		57	50.367
Liabilities and equity		476.112	581.829
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	10.610	520.852	531.462
Cash capital increase	29	0	29
Purchase of treasury shares	0	-4.728	-4.728
Sale of treasury shares	0	1.000	1.000
Group contribution	0	81.855	81.855
Net profit/loss for the year	0	-133.563	-133.563
Equity at 31 December	10.639	465.416	476.055

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
1 Tax on profit/loss for the year		
Current tax for the year	5	0
Deferred tax for the year	1.169	-635
Adjustment of deferred tax concerning previous years	11	0
	1.185	-635
2 Investments in subsidiaries		
Cost at 1 January	579.787	579.787
Cost at 31 December	579.787	579.787
Revaluations for the year, net	-130.566	0
Value adjustments at 31 December	-130.566	0
Carrying amount at 31 December	449.221	579.787

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Tia Technology A/S	Lyngby-Taabæk	1.500	99%	-56.311	-21.699

Notes to the Financial Statements

3 Equity

The share capital is broken down as follow:

	<u>Number</u>	<u>Nominal value</u> TDKK
A-shares	9.289.391	9.289.391
B-shares	1.349.111	<u>1.349.111</u>
		<u>10.638.502</u>

During 2020, the Company acquired nom. 333.808 and sold nom. 38.344 treasury shares, corresponding to 2,8%. The payment for purchase of the shares amounted to TDKK 4.728 and the payment for sales of the shares amounted to TDKK 1.000 , which has been transferred from retained earnings under equity.

The Company holds a total of 484.459 shares with a nominal value of DKK 484.459 corresponding to 4,55 % of the total capital.

4 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2020</u> TDKK	<u>2019</u> TDKK
Credit institutions		
Between 1 and 5 years	<u>0</u>	<u>35.138</u>
Long-term part	0	35.138
Within 1 year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>35.138</u>

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Sapiens Software Solutions Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6 Related parties

Basis

Consolidated Financial Statements

Thor Denmark Holding ApS is included in the consolidated Financial Statements of

<u>Name</u>	<u>Place of registered office</u>
Sapiens International Corporation N.V	Cayman Islands

The Group Annual Report of Sapiens International Corporation N.V may be obtained at the following address:
<https://www.sapiens.com/na/investor-relations/>

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Thor Denmark Holding ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2020 are presented in TDKK.

Changes in accounting policies

The Company has changed its accounting policies from IFRS to adopting the Danish Financial Statements Act. No changes has been made to the figures.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Sapiens International Corporation N.V, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the

Notes to the Financial Statements

7 Accounting Policies (continued)

balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with other Danish Companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

7 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

7 Accounting Policies (continued)

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost.

Other debts are measured at amortised cost, substantially corresponding to nominal value.